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TO RUEHC/SECSTATE WASHDC PRIORITY 4963
INFO RUEHBS/AMEMBASSY BRUSSELS PRIORITY 1512
RUEHMIL/AMCONSUL MILAN PRIORITY 7188
RUEHFL/AMCONSUL FLORENCE PRIORITY 1448
RUEHNP/AMCONSUL NAPLES PRIORITY 1516
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E.O. 12958: N/A TAGS: <u>EAIR</u> <u>IT</u>

SUBJECT: LINATE AIRPORT: GOI WANTS TO WAIT ON CONSULTATIONS PENDING REVIEW OF LINATE TRAFFIC RESTRICTIONS BY NEW GOVERNMENT

REF: A. SECSTATE 80709

¶B. ROME 1303

11. (U) Summary: In response to ref A letter from DAS John Byerly, ENAC Director General Silvano Manera stated his agency wants to wait on holding bilateral consultations until the new GOI has a chance to review Linate airport restrictions. End summary.

New GOI Will Review Linate Rules

12. (U) A/Ecmin met with ENAC (Italy's civil aviation agency) Director General Silvano Manera May 25 to discuss ref A letter from DAS John Byerly. Manera reiterated his view (ref B) that the GOI's 2001 decree barring trans-Atlantic service to and from Milan's Linate Airport had failed in its intended purpose of diverting air travelers to Malpensa Airport. Manera said he would recommend to Italy's new Minister of Transport, Alessandro Bianchi, that destination restrictions for Linate be scrapped in favor of noise and pollution controls. If this recommendation is accepted, Manera said, an airline could fly trans-Atlantic to/from Linate provided the aircraft met strict noise and pollution limits. Manera said bilateral consultations with the USG on Linate would need to wait until the new GOI has had a chance to review the 2001 decree, which will likely take until fall 2006.

Linate Threatened By Noise Lawsuits

- ¶3. (SBU) Manera said ENAC is now dealing with several lawsuits from communities near Linate airport. He said residents around Linate are growing less and less tolerant of noise, and ENAC is concerned that Italy's judiciary may step in to impose additional traffic limitations or even close Linate altogether.
- 14. (SBU) Regarding the Eurofly/Milano Manhattan Club, Manera said he had not expected Eurofly to actually commence operations from Linate on May 8. Manera said Eurofly had been "sneaky" in its attempts to exploit loopholes and he did not question the USG's move to ban the flights. (Note: Eurofly inaugurated its all-business-class service between Milan and New York May 29 with a flight from Malpensa. End note.)

Alitalia Not Out of the Woods

15. (SBU) Finally, Manera, who for 30 years worked as a pilot for Alitalia, offered a pessimistic assessment of the flag carrier's viability. While Alitalia was not at risk of running out of money in the near term, Manera remarked, the airline still does not have a sustainable long-term strategy. He said the GOI cannot afford to continue bailing out the airline should it face bankruptcy again. SPOGLI